



**Department of Housing and
Community Affairs**

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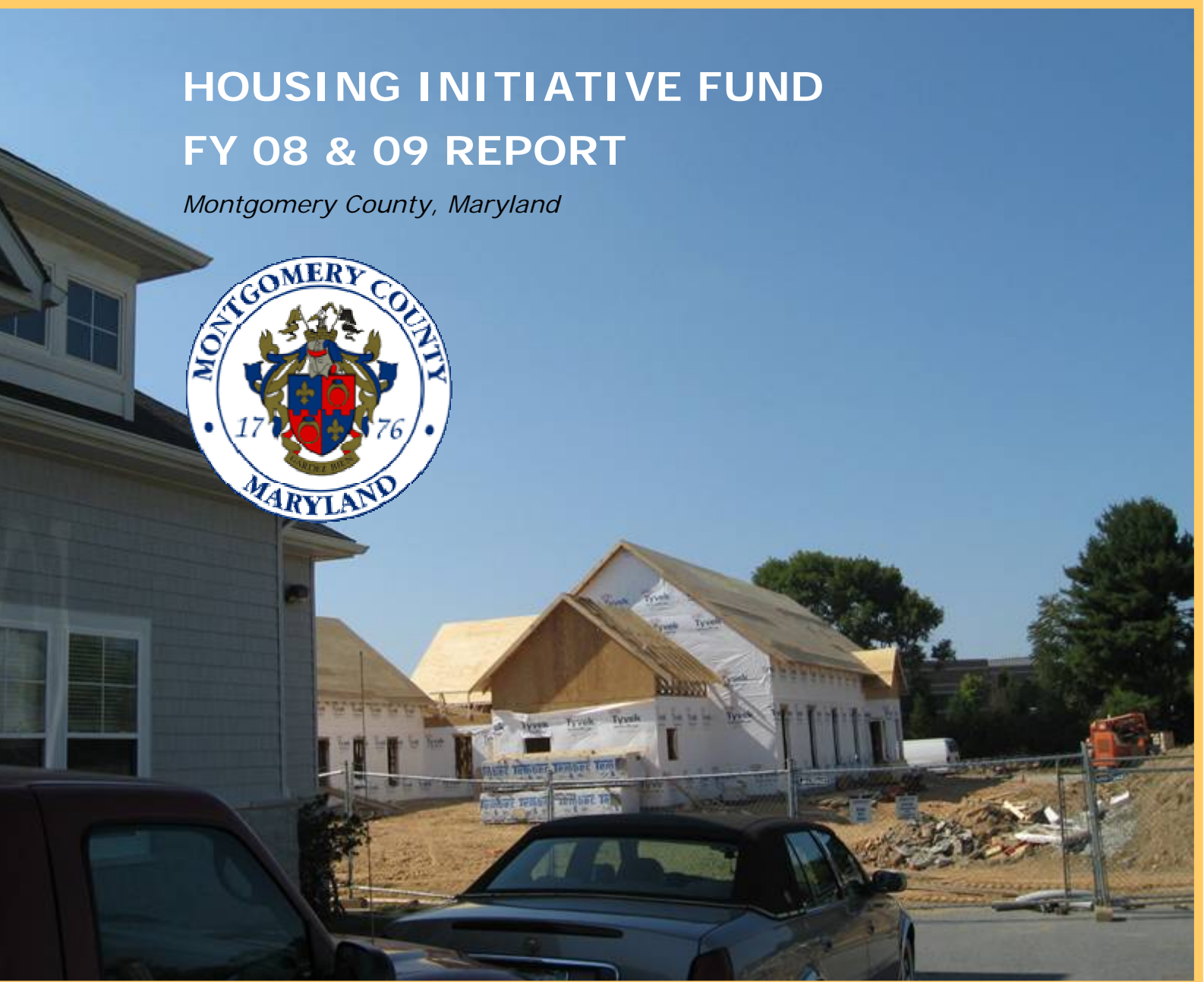
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HOUSING INITIATIVE FUND FY 08 & 09 REPORT

Montgomery County, Maryland



Available online at:

<http://www.montgomerycountymd.gov/content/dhca/HIF-Report-0809.pdf>

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There is no success without hardship.

- Sophocles

Housing Initiative Fund Fiscal Year 2008 and 2009 Report

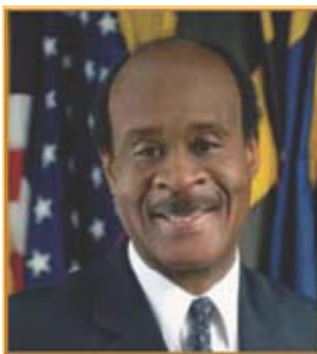
Economic Turmoil Breeds New Opportunity

In May 1988, the County Council enacted Chapter 25 B-9 to the Montgomery County Code establishing the Montgomery Housing Initiative program – now commonly referred to as the Housing Initiative Fund (HIF) – to be administered by the Department of Housing and Community Affairs. The fund was created to promote a broad range of housing opportunities in the County in order to assist in alleviating the difficulties of many low and moderate income households in obtaining and maintaining housing at costs that they can afford.


Each year, the demand for affordable housing rises in the County, which is why I recommended and the council approved increasing funding for the HIF from approximately \$24 million to \$34 million in FY '08 and to \$53 million in FY '09, an unprecedented 120 percent increase over two years.

During this period, however, Montgomery County and the nation experienced a great economic crisis stemming from the collapse of our capital and financial markets, which threatened further to exacerbate affordable housing disparity.

Given these challenges, I am pleased, now more than ever, to provide you with this report detailing the many great ways that the Housing Initiative Fund impacts Montgomery County and its residents. I am also pleased to report on several initiatives aimed at changing the way we do business, closing the affordable housing gap, and easing the effects of the housing crisis.



Isiah Leggett
County Executive



The art of leading, in operations large or small, is the art of dealing with humanity, of working diligently on behalf of men, of being sympathetic with them, but equally, of insisting that they make a square facing toward their own problems.

- S. L. A. Marshall

Operations Overview

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

The mission of the Department of Housing and Community Affairs is to plan and implement activities which prevent and correct problems that contribute to the physical decline of residential and commercial areas; maintain a marketplace which is fair to both landlords and tenants; increase the supply of new affordable housing; maintain existing housing in a safe condition, and support community programs that benefit our residents.

HOUSING INITIATIVE FUND

The Housing Initiative Fund (HIF) is a locally funded housing trust fund that receives revenue from a variety of sources including loan repayments and 2.5 percent of the County's Property Tax revenue. Since its inception in 1988, the HIF has been administered by the County's Department of Housing and Community Affairs (DHCA).

HIF funding is available throughout the year and can be used for predevelopment, bridge, acquisition, and permanent financing. Funding can be in the form of low-interest or no-interest loans, forgivable loans, or operating subsidies. To remain as flexible and responsive as possible, individual requests for funding are reviewed throughout the year by a Housing Loan Review Committee composed of three senior DHCA staff members with voting rights and three representatives from other County departments including the Finance Department, Health and Human Services and the Office of Management and Budget. HIF funding can and has been used to: fund new construction; preserve existing homes; support new rental construction; finance the substantial rehabilitation of rental housing; support the preservation or development of senior, family, or special needs housing being developed by nonprofit or for profit sponsors; and support the preservation or development of single-family, town house and apartment buildings. This flexibility has helped the County develop a continuum of housing options. The certainty provided by a dedicated source of funding allows the County and its development partners to plan for the future.

MULTIFAMILY HOUSING SECTION

The Multifamily Housing Section operates within the Division of Housing and Code Enforcement of the Department of Housing and Community Affairs. The Section is responsible for the administration of the Montgomery County Housing Initiative Fund. With this fund, the Section seeks

to preserve housing that could be lost from the affordable housing stock, renovate distressed properties, build new, affordable housing including those for special needs populations, help build mixed-income communities through inclusionary zoning, build neighborhoods – and not just housing units – through supportive services and programs, and work toward an equitable distribution of affordable housing units.

LOAN PROCESS

The Department of Housing and Community Affairs has the ability to tailor loans to maximize public purpose. For this reason, each loan is handled uniquely but generally tracks the following flow. Organizations submit an application to the Multifamily Housing Manager requesting County support through loan applications, PILOT requests, and housing service contracts. The Multifamily Housing Manager serves as a Loan Officer for loan requests of higher complexity, and uses discretion in forwarding requests to Loan Analysts and Loan Officers. Loan Analysts and Loan Officers review requests, prepare reports, and present them to the Housing Loan Review Committee. The Committee deliberates on the recommendation and advises the Director of DHCA. The Director decides which proposals are funded and determines conditions and terms based on the needs of the project. Once a decision is made, approved loans are assigned to the originating Loan Officer or Loan Analyst, who oversees the development of affordable housing projects under construction. While under construction, the Construction Manager provides in-depth construction monitoring, and after completion, the loan is forwarded to the Loan and Asset Manager, who monitors the project for affordability, viability, and compliance throughout the life of the loan.



Maple Towers in Takoma Park
(Before and an artist's rendering of after rehab)



Strategy is; A style of thinking, a conscious and deliberate process, an intensive implementation system, the science of insuring future success.

- Pete Johnson

Strategic Investments

Crunching Data to Help the Neediest Populations

FOCUSED NEIGHBORHOOD INITIATIVES

Providing healthy and sustainable communities with safe streets and secure neighborhoods is an important part of the mission for Montgomery County Government. In support of this mission, DHCA implemented a pilot initiative to comprehensively address community needs in two geographically defined Focus Areas. The two Focus Areas are:

- **Mid-County** (Georgia Avenue south to Randolph Road; east to Veirs Mill Road; north to Turkey Branch Creek; east to Georgia Avenue)
- **Upcounty** (Interstate 270 south to Great Seneca Creek; south west to Clopper Road; north west to Germantown Road; north east to Middlebrook Road to Interstate 270)

The selection of these neighborhoods was made as the result of a data-driven analysis and through consultation with community residents and stakeholders. The County's efforts focused on single-family homes in primarily, if not exclusively, residential neighborhoods and grew from a belief in the importance of strong, well-maintained neighborhoods as a critical component of overall community well-being. In identifying areas for consideration, DHCA first reviewed county-wide crime data, income data (as represented by the numbers of school-age children eligible for Free and Reduced Meals), and single-family rentals (later refined to focus on foreclosure events). These criteria are ones that have been commonly used to measure conditions at the neighborhood level, and this analysis identified areas that appeared to be experiencing challenges greater than those experienced by the county overall.

A common concern expressed by residents and HOA representatives in both focus areas was the growing number of foreclosed properties and the impact on property values and HOA assessments. The consistent collection of HOA assessments is required to operate the services of the HOA effectively. Additionally, code enforcement complaints increase as lawns are not mowed, papers and other trash are not disposed of, and maintenance is deferred.



In order to address this key concern, DHCA developed a two-pronged attack which included preventing and mitigating foreclosures, and acquiring and rehabilitating vacant foreclosed properties using County and federal funds.

Three non-profit groups were selected to carry out the acquisition and rehabilitation process, including:

1. Housing Opportunities Commission of Montgomery County (HOC),
2. Habitat for Humanity, Montgomery County, Maryland (Habitat-MC), and
3. AHC, Inc.

The Housing Opportunities Commission and the Neighborhood Stabilization Program

In 2009, the federal government awarded Neighborhood Stabilization Program (NSP) funds nationally to states and local governments to address the growing housing foreclosure problem. Montgomery County received \$2,073,965 of NSP funds as a direct allocation from the Federal government. The State of Maryland also received a direct allocation of NSP funds from the Federal government and established the "Neighborhood Conservation Initiative Program" (NCI); the State then made a portion of these funds available to applicants through a competitive process. Montgomery County received \$2,500,000 of these NSP funds through the state's NCI program.

Montgomery County used its allocation of approximately \$4.5 million in NSP monies to provide funding to HOC to purchase and rehabilitate 15 to 20 foreclosed houses in the Upcounty and Mid-County Focus Areas to be leased to low-income county residents. The majority of the people to be housed will have household incomes at or below 40 percent of Area Median Income (AMI), with an emphasis on homes that will accommodate larger families, for whom the current affordable housing shortage is most acute. HOC will rehabilitate these homes as necessary to make them as low-maintenance and energy efficient as possible. As of January 2010, HOC has acquired twelve homes.

Habitat for Humanity and the Mid-County Focus Area

Habitat-MC provides extensive training and resources to support very low income residents in becoming successful homeowners. Working in partnership with hundreds of volunteers, Habitat affiliates build affordable housing locally. In 2009, the Neighborhood Revitalization Program was created as a partnership between Habitat-MC and Montgomery County Government to reclaim neighborhoods devastated by foreclosure. The County awarded \$3.5 million in HIF funds to Habitat for Humanity to acquire and rehab 13 foreclosed properties in the Mid-County Focus Area. As of February 2010, Habitat-MC has acquired twelve homes, resold five to eligible homebuyers, and is in the process of renovating and reselling the remaining seven.



AHC, Inc. and the Upcounty Focus Area

AHC has partnered with the County to acquire, renovate, and resell foreclosed homes to income-qualified households in the targeted Upcounty area. The program addresses the wave of foreclosures impacting the County by investing in affected neighborhoods, generating economic activity, and providing homeownership opportunities to low- and moderate-income households. The homes acquired under this program are vacant bank-owned, two- or three-bedroom townhomes or single family homes in need of modest renovation. The homes are then resold to households earning 70 to 100 percent of the area median income (AMI) at an affordable purchase price.

AHC handles all aspects of the purchase of the homes. After purchasing the properties from the banks, AHC is responsible for property management including security, utilities, insurance, weatherization, and general maintenance and upkeep. AHC also oversees a scope of renovations designed to enhance market value, improve energy efficiency, reduce on-going maintenance costs, enhance "curb appeal", and position the home as an attractive alternative to renting. While the renovations are still underway, AHC markets the homes to prospective purchasers. Once a suitable purchaser is identified, AHC assists the buyer in obtaining financing and ensuring that the transaction is successfully closed. The program is funded with a \$2.4 million revolving line of credit from the Housing Initiative Fund (\$2 million) and Community Legacy funds (\$400 thousand). As each home is resold, the sale proceeds are recycled into the next home. AHC estimates that it will create at least 20 affordable homeownership opportunities in a 24-month period and return much of the initial funding to DHCA.



Artist's Rendering of the Gude Drive Complex

INVESTMENTS IN SPECIAL NEEDS HOUSING

One of the highest affordable housing priorities in Montgomery County is the need for housing that is affordable, accessible, and that meets the supportive service needs of persons with special needs, including the homeless, persons with physical or developmental disabilities, the elderly, those who are victims of abuse, and those with chronic mental illness or addictions. Funding to nonprofit organizations to purchase properties for use as group homes is one way to assist in meeting this need, but Montgomery County has aggressively pursued additional strategies to address this priority need.

Presented below are three initiatives that implement the continuum of care principles adopted by Montgomery County. The continuum of care considers the comprehensive care requirements for special needs individuals and the availability of short and long-term facilities, community programs, and services. The first initiative is the Gude Drive Complex, a facility that was developed through a collaboration among Community Ministries of Rockville (CMR), the Department of Health and Human Services (DHHS), the Department of Housing and Community Affairs (DHCA), the Housing Opportunities Commission of Montgomery County (HOC), and the Montgomery County Coalition for the Homeless (MCCH). The Gude Drive Complex incorporates a more “urgent care” environment to persons who are homeless. The second initiative is a revolving loan fund that allows Housing Unlimited, Inc., a non-profit developer of affordable housing for persons with mental disabilities, to purchase Moderately Priced Dwelling Units (MPDUs) to house individuals with psychiatric disabilities. The final initiative is a Housing-First Voucher Program operated by MCCH and funded with federal HOME Program funds and county HIF funds. This program empowers those with special needs by presenting them with rental vouchers and the freedom to live where they want and seek the services they need. These three initiatives demonstrate not just housing but housing with supportive programs aimed at helping one of the County’s most disadvantaged populations.

Gude Drive Complex

According to the Metropolitan Washington Council of Governments, on any given day in our community there are over 1,100 people experiencing homelessness, including 600 women and children. Seventy-two percent of homeless adults in Montgomery County have at least one disability. Twenty-six percent of homeless adults in Montgomery County work but cannot afford housing. For the homeless or those threatened with homelessness, housing choices are not only limited by affordability considerations but also by the need of supportive services. Preventing homelessness through early intervention, coordinated case management, and financial assistance were identified as priorities along with more long-term transitional and permanent housing and supportive services need to help those already homeless. The need of year-round shelter and safe havens for those single homeless persons who are unwilling or are unable to participate in the County’s system of social services continue to be a priority.

Gude Drive provides three programs for the homeless, 1) Adrienne’s Safe Havens, 2) Chase Partnership House, and 3) Men’s Emergency Shelter. MCCH operates Adrienne’s Safe Havens and the Men’s Emergency Shelter, while CMR operates the Chase Partnership House. Adrienne’s Safe Haven provides a comfortable and non-threatening environment that offers case management and counseling, life skills training, weekly on-site psychiatric services, and connections to medical care, vocational training, day treatment programs, and other appropriate community resources. The Men’s Emergency Shelter provides a 24-hour a day, 7 days a week shelter for men experiencing homelessness. Community Ministries of Rockville’s Chase Partnership House provides transitional housing services to men aimed at progressing them through individual treatment programs and into mainstream society.

The importance of these programs is immeasurable. For this reason, when the County became aware that the buildings housing Adrienne’s Safe Havens and the Chase Partnership House programs were in need of substantial rehabilitation, and that the Men’s Emergency Shelter needed overflow space for the winter months, the County responded by collaborating with several prominent organizations and by awarding HIF funds for the improvements.

These improvements, funded in part with a \$6.4 million investment from the HIF as well as State and private grants, included an addition to the emergency building which allows for 35 men to be sheltered. This addition also provides space for a range of on-site services including new laundry, bathroom and shower facilities, two medical exam rooms, and a meeting space, and computer lab for educational and vocational activities for men in the shelter. A second new building was constructed to house the Adrienne's Safe Havens, the Chase Partnership House, and offices for MCCH services and staff. In addition to providing transitional shelter for 51 men, the new building features offices for staff, two dining rooms, two life skills kitchens, two computer labs, laundry and bathroom facilities, conference rooms, and lounges.

Housing Unlimited Inc.'s Revolving Fund

Housing Unlimited, Inc. (HUI) is a non-profit, housing development organization based in Silver Spring serving adults with psychiatric disabilities. HUI accomplishes its mission by providing affordable, permanent housing opportunities, empowering people to live independently, relocating people from substandard housing to appropriate housing, helping people moving from the homes of their aging parents, providing public education, advocacy and community linkage, and bringing people who need housing together in partnerships. Through 2009, HUI has acquired 41 homes throughout Montgomery County serving 123 adults with psychiatric disabilities.

In 2007, HUI's Board of Directors approved an ambitious strategic plan that set the course for HUI activities through 2011. HUI is now implementing its plan for steady, prudent expansion of its operations.



To help reach its goal, in 2008 the County awarded \$500,000 in HIF funds to establish a revolving loan fund that enables the nonprofit to move swiftly to purchase MPDUs that are offered for new sale or resale through the County's MPDU Program. Once acquired, HUI uses a \$1.4 million reservation from the State Community Bond Program and a reservation of \$500,000 in County HOME funds to revolve the HIF funds and permanently finance the homes.

A recently acquired HUI MPDU

Montgomery County Coalition for the Homeless' Housing First Rental Voucher Program

Housing First is more than a strategy. It is a philosophy developed in the 1990's by Dr. Sam Tsemberis that is based on the belief that housing is a human right that should not be denied based on whether or not a person abuses substances. Under the Housing First model, a person is first housed, and then offered a variety of wraparound services intended to address the factors and meet the other needs that may have contributed to that person's homelessness.

Using \$750,000 in County HOME funds, the Montgomery County Coalition for the Homeless (MCCH) and DHCA developed a Housing First Rental Voucher pilot program that provides rental assistance to formerly homeless families and single adults. Additionally, the County provided \$114,000 HIF funds for initial "start-up" operating assistance. Participants served under the program have incomes at or below 50 percent of AMI, but typically incomes are well below 30 percent of AMI. Approximately 40 percent of the households served are single adults and 60 percent are families with children. In line with the general demographics of the single adult homeless population, many single adults have wide ranging and possibly multiple disabilities. The families, mostly single parents, generally have fewer disabilities, but face the challenge of providing for a family while earning extremely low incomes. MCCH provides varying levels of support for these clients through individualized case management customized to the client's need.

MCCH serves three groups of participants in the Program. The first group of families and individuals comes directly from emergency homeless shelters as part of the County's Housing First initiative. This Program effectively and rapidly ends homelessness for these participants, providing stable homes and the supportive services necessary to assist the tenants in maintaining their housing. The second group comes from the various transitional homeless programs throughout the County. Individuals and families participate in these programs for various reasons and generally can live independently when they are ready to move on. Many clients in both emergency shelters and transitional homeless programs have income, just not sufficient income to rent a market rate unit without assistance or ongoing subsidy. MCCH does not terminate a participant from their programs if they lose their income, but it is extremely difficult to live independently without any resources even if one is not required to pay rental fees. From experience, MCCH has learned that having some income, even if minimal, is one important factor in housing stability. These programs provide the stable and supportive housing these tenants continue to need on a long term basis. The third group consists of stable clients who no longer need the intensive case management provided in other county programs, but still need a continuing rental subsidy due to their extremely low-income. They are also provided with and benefit from an ongoing reduced case management relationship. This is a much needed housing option in the continuum of care; permanent housing with continuing financial assistance and limited case management. This solution greatly benefits the clients who are appropriate for such an option while opening up space in more intensive housing programs for those who need them.

FOCUSED COMMUNITY PROGRAMS – MORE THAN BRICKS AND MORTAR, HELPING PEOPLE

The flexibility of the Housing Initiative Fund allows it not only to create service-enriched housing but also to fund initiatives that build the human infrastructure for distressed neighborhoods and areas otherwise inaccessible services at affordable housing developments. In FY '08 and '09 HIF funding supported targeted neighborhood community revitalization, resident services, and educational activities including the Individual Development Account Program, Community Life Programs, Stewartown Homes Community Development Programming, and Rebuilding Together Montgomery County.

Individual Development Account (IDA) Program

Serkalem “Serk” Beyadglegn will never forget the first time she turned the key and opened the door to her newly purchased town house in Montgomery Village, MD in April of 2008. She immediately went to the kitchen and opened every cabinet stroking the wood on the doors. “I can’t believe we own this beautiful house. It’s ours!” she exclaimed as she inspected each room of her 3 bedroom, 2 bath home with her husband and daughter.

Three years earlier, Serk had joined the Montgomery Housing Partnership’s (MHP) Individual Development Account (IDA) program, which provides homeownership education and a housing deposit match. She soaked up the information she received in the mandatory financial fitness and homebuyers classes. She also faithfully deposited \$65.00 each month for two years into her IDA savings account and that money was matched on a 3:1 basis by Citibank, Montgomery County government, and the State of Maryland. As a result of her diligent saving and the matching funds, Serk had \$5,280 in savings when she was ready to purchase her house. Participants can use the money for down payments or closing costs.

On settlement day, Serk reflected on the hard work of becoming an educated buyer and expressed the “pure joy” the family felt as they settled into their new home. “We would like to thank all the agencies and organizations that supported us during this process,” states Serk. “We are now part of a strong Montgomery County community. Thank you!”



Serkalem “Serk” Beyadglegn and her husband, Berihun Abageto purchased their home in Gaithersburg.



Nicole Nolasco (left) and Victoria Lemus (right) proudly poses in their caps and gowns before the MHP preschool graduation ceremony.

Community Life Programs

If you ask Victor and Edith Lemus why they choose to live at Amherst Gardens, they mention affordable rents and good living conditions but they quickly point out that one of the best amenities is Montgomery Housing Partnership’s Community Life Programs and activities, which is partially funded by the HIF.

The Lemus family has four daughters ranging in age from 3 to 12 years old, who have participated in the Community Life Program at Amherst. “Our daughters attended the MHP preschool.” states Victor, “This program really helped them to get ready for kindergarten and learn basic skills in a gentle, bilingual environment.” The Lemus girls have also participated in the After-School Program as well as the Summer Enrichment Program.

The *Angels for Children Toy Drive* is another reason the Lemus family likes living at Amherst Square. The Lemus family has enjoyed the annual Christmas Eve tradition of a visit from Santa on a fire engine. With help from MHP’s Community Life Program

and several community partners, Santa Claus delivers gifts to over 280 families living at Pembridge Square, Amherst Square and Amherst Garden apartments. The girls have also participated in numerous MHP fairs and festivals and delight in getting school supplies before the start of each school year.

"We truly appreciate all the programs and activities offered by the Community Life programs at MHP," concludes Victor, "They have made a big difference in our community."

Stewartown Homes Community Development Programming

The County continued its effort to ensure that low-income families in Montgomery County have access to computers and computer training as HIF funds were awarded to the Community Preservation and Development Corporation (CPDC) as part of the Building Neighborhoods to Call Home Initiative. The funds were used to continue the program known as the Stewartown Homes Community Development Programming.



Located in Gaithersburg, the Stewartown Homes townhouse community was purchased and substantially renovated in 1999 by the Housing Opportunities Commission. In addition to the physical improvements to the property and homes, each unit was also wired for computer use. A computer center on the grounds provides training for children and adults.

The Community Preservation and Development Corporation continues to service the residential and community center computer network and helps to maintain the Stewartown Net Users Group (SNUG), a technology focused resident group. Additionally CPDC provides age-appropriate curriculum and classes for Stewartown Homes children, from 3:00 pm to 6:00 pm, Monday through Friday, throughout the school year and conducts classes and vacation activities throughout the summer.

Rebuilding Together Montgomery County

The County has also provided Rebuilding Together Montgomery County (formerly Christmas in April) funds to cover the costs of administering a program which covers the cost of minor home repairs for low-income homeowners. The funds are used to make these services available to homeowners who are either physically or financially unable to undertake home repairs on their own. Examples of such repairs include minor plumbing, painting, flooring, carpentry and electrical work; repair or replacement of gutters, doors, locks, handles, filters and handrails; installation of smoke and carbon monoxide alarms, grab bars, storm windows and screens; and debris removal.

Rebuilding Together is responsible for securing volunteers and materials to complete repairs on at least 100 homes per year. Among other activities, the organization will also conduct presentations to increase public awareness of its program, create partnerships with businesses and organizations to provide referrals, volunteers, and materials and to conduct site inspections.

Rebuilding Together Montgomery County is committed to helping residents who have worked hard to own their own homes, but whose failing health or limited income does not allow them to complete costly home maintenance. All services are provided free of charge.

Nothing worthwhile comes easily. Half effort does not produce half results. It produces no results. Work, continuous work and hard work, is the only way to accomplish results that last.

- Hamilton Holt

Quantitative Results

Transparency through CountyStat



CountyStat is a component of Montgomery County's new results-based accountability system that promotes a culture of "managing for results", while addressing one of the County's priority objectives – "A responsible and accountable county government."

The Department of Housing and Community Affairs is responsible for producing an annual report for CountyStat. Please note that the statistics that follow incorporate all of DHCA's funding sources and resulting programs, not just HIF.

QUARTERLY COUNTYSTAT REPORTING

The Department of Housing and Community Affairs collects data regarding the production and preservation of affordable units through various funding sources, categorizes the data in the respective program. The data is reviewed during the year to determine the likelihood of accomplishing annual goals and objectives, and to determine whether an interim policy change is necessary.

Funding Sources

1. Community Development Block Grant (CDBG)
2. Community Legacy
3. HOME
4. HIF
5. HIF Acquisition and Rehabilitation Fund
6. Units Produced at No Cost to the County
7. Weatherization
8. Neighborhood Stabilization Project (NSP) - Neighborhood Conservation Initiative (NCI)

Programs

1. Moderately Priced Dwelling Unit (MPDU)
2. Multifamily
3. NSP-NCI
4. Rental Agreements
5. Group Home Acquisition and Rehabilitation
6. Rental-Closing Cost Assistance
7. Single Family Rehabilitation
8. Single Family Foreclosure Prevention
9. Weatherization

KEY DEFINITIONS

To assure proper reporting, DHCA has adopted the following definitions to measure results:

- *Preservation* – Acquisition and/or rehab of an existing unit **that has affordability restrictions**
- *Production* – New construction or rehab of a **market rate unit** added to the affordable inventory

- *Pipeline Unit* – A unit is considered in the pipeline as soon as the County commits funding to a project. A unit remains in the pipeline until it is online; this is true even if the project does not draw funds in a given year.
- *Online Unit* – A unit is considered online once funds have been exhausted, acquisition/rehab/construction is complete, and the unit is ready for occupancy.

The following statistics contain actual results for fiscal years 2008 and 2009 and projections for fiscal years 2010 through 2012.

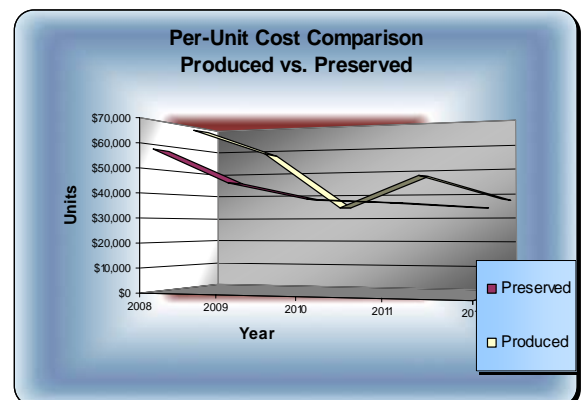
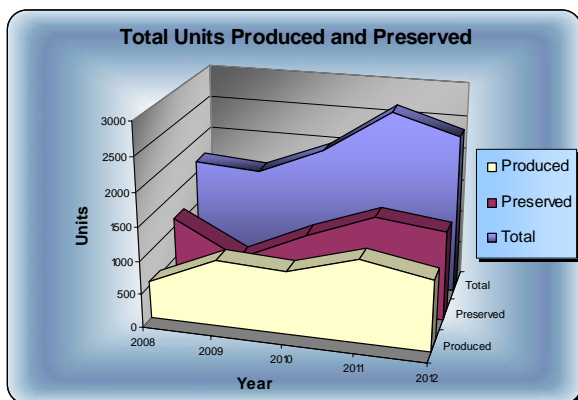
COUNTYSTAT RESULTS

DHCA – Units Preserved	FY '08	FY '09	FY '10	FY '11	FY '12
County Funded Units Online	34	423	222	543	380
No-Cost Units Online	131	0	702	737	774
Preservation Pipeline	954	190	150	170	175
Total Preservation	1,119	613	1,074	1,450	1,329

DHCA – Units Produced	FY '08	FY '09	FY '10	FY '11	FY '12
County Funded Units Online	103	534	660	819	692
No-Cost Units Online	116	242	53	182	191
Production Pipeline	336	218	228	237	180
Total Production	555	994	941	1,238	1,063

Total Produced and Preserved	1,674	1,607	2,015	2,688	2,392
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DHCA – Cost Per Unit	FY '08	FY '09	FY '10	FY '11	FY '12
Preservation – Cost/Unit Online	\$57,932	\$43,827	\$36,948	\$35,425	\$33,334
Production – Cost/Unit Online	\$68,270	\$57,076	\$34,201	\$46,858	\$37,153



SUMMARY OF FINANCIAL INVESTMENTS

Housing Initiative Fund FY 08 & 09

(in thousands of dollars)

Category	FY 2008		FY 2009	
	Investment	Percent	Investment	Percent
Rental				
Acquisition / Rehab	\$10,853	29.8%	\$17,172	35.5%
Elderly	\$4,500	12.4%	\$0	n/a
Public Housing Rehab	\$1,145	3.1%	\$0	n/a
Predevelopment	\$670	1.8%	\$125	0.3%
Operations	\$285	0.8%	\$50	0.1%
MPDU Acquisition	\$250	0.7%	\$1,100	3.0%
Rental Subsidies	\$200	0.5%	\$2,800	7.7%
Total	\$17,903	49.2%	\$21,247	58.3%
Homeownership				
Acquisition / Rehab	\$6,511	17.9%	\$0	n/a
Foreclosure Prevention	\$2,700	7.4%	\$0	n/a
New Construction	\$600	1.6%	\$0	n/a
Closing Cost Assistance	\$500	1.4%	\$1,092	2.3%
Foreclosure Acquisition / Rehab	\$0	n/a	\$4,100	8.5%
Total	\$10,311	28.3%	\$5,192	10.7%
Special Needs Housing				
Homeless	\$4,128	11.3%	\$10,647	22.0%
Disabled	\$1,140	3.1%	\$500	1.0%
General	\$300	0.8%	\$3,061	6.3%
Operations	\$110	0.3%	\$215	0.4%
Other	\$30	0.1%	\$0	n/a
Housing First	\$0	n/a	\$3,750	7.8%
Total	\$5,708	15.7%	\$18,173	37.6%
Building Neighborhoods to Call Home / Community Programs				
Operations	\$650	1.8%	\$513	1.1%
Programs	\$420	1.2%	\$821	1.7%
Homeownership	\$185	0.5%	\$0	n/a
Special Needs	\$39	0.1%	\$0	n/a
Total	\$1,294	3.6%	\$1,334	2.8%
Miscellaneous				
Staff Costs	\$800	2.2%	\$1,300	2.7%
Code Enforcement	\$0	n/a	\$200	0.4%
Other Professional Costs	\$400	1.1%	\$900	1.9%
Total	\$1,200	3.3%	\$2,400	5.0%
Total Investments	\$36,416		\$48,346*	

* In addition, \$4,436,000 was committed and carried over to FY 2010.



AHC, INC.



AHC is a private, nonprofit developer of affordable housing that was founded in 1975. Its mission is to produce, preserve, and manage affordable housing for low- and moderate-income residents. As the largest nonprofit housing sponsor in Northern Virginia, AHC operates a variety of housing programs. They include developing and managing affordable rental housing, providing homeownership opportunities for first-time homebuyers, offering housing rehabilitation services for low-income homeowners, and coordinating and providing services to strengthen residents' economic and social stability. AHC owns 19 apartment complexes in Arlington, seven in other Virginia locations, and six in Maryland, providing nearly 3,500 affordable apartments to 6,000 low- and moderate-income households. Resident services are offered on-site at several AHC apartment complexes, providing a wide range of programs including English language classes, computer training, after-school programs, tutoring, parenting classes, and financial literacy workshops.

HABITAT FOR HUMANITY OF MONTGOMERY COUNTY, MD, INC.



Habitat for Humanity of Montgomery County's mission is to partner with the community to create homeownership opportunities for very low-income families in need of decent housing. In a spirit of collaboration and fellowship, Habitat for Humanity of Montgomery County works with individuals, institutions, businesses, and the Habitat families themselves to build simple, decent, energy efficient, and affordable housing for those living in substandard conditions in our community.

While Montgomery County is one of the most affluent, fastest growing communities in the nation, thousands of its residents are living in poverty. Housing costs have sky-rocked, while income growth in many jobs has remained the same - making the dream of homeownership almost impossible for low-income families. However, Habitat's unique homeownership model provides a solution to this problem by offering low-income families the opportunity to purchase their own simple, decent, affordable home. Our goal is to end the cycle of poverty, instill a "can-do" attitude

and show families that with the right tools, they can have the confidence and competence to maintain their own stable community.

Research shows that children of homeowners are more likely to stay in school. Owning a home leads to higher quality home environment, improved test scores, and reduced behavioral problems. Habitat's purpose is to create decent housing to unleash the potential of children who might be the next musical prodigy, business professional, or public official.

THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MD



The Housing Opportunities Commission (HOC) was founded in 1966 as the Housing Authority of Montgomery County (HAMC). The mission of the Housing Opportunities Commission is to provide affordable housing and supportive services that enhance the lives of low- and moderate-income families and individuals throughout Montgomery County, Maryland so that:

- No one in Montgomery County is living in substandard housing;
- We strengthen families and communities as good neighbors;
- We establish an efficient and productive environment that fosters trust, open communication and mutual respect;
- We work with advocates and providers to maintain support for all the work of the Commission.

To achieve this mission, HOC operates as a public housing agency, a housing finance agency and a housing developer. In addition, HOC provides a wide range of supportive services to enhance the quality of life for its residents and help them achieve economic self-sufficiency.

Currently, HOC's housing unit portfolio consists of 6,740 units owned directly by HOC; 6,168 HUD Housing Choice Vouchers administered; and 9,427 units financed by HOC for privately owned properties for a total of 22,335 units.

HOUSING UNLIMITED, INC.



Since the organization was founded, HUI has served more than 250 individuals with psychiatric disabilities in HUI-owned and managed housing. The organization's model of separating landlord responsibilities from psychiatric services allows HUI's tenants to become full participants within the community. Individuals served by HUI suffer from chronic, serious mental health disabilities such as schizophrenia, bi-polar disorder, obsessive-compulsive disorders, anxiety and depression. Almost all HUI tenants have incomes that fall below 30 percent of AMI – the majority fall below 15 percent. Rents are computed on a sliding scale, based on each tenant's income, and are capped to provide security and encourage employment. Tenants are required to pay rent in an amount equal to 35 percent of their monthly income. HUI's housing model is to provide permanent housing rather than emergency or transitional housing.

HUI's housing is intended for very low income adults with psychiatric disabilities who can live independently, that is, they do not require an on-site supervisor or counselor. Tenants make their own private decisions regarding support services from local social service agencies.

HUI is in an expansion mode to meet the needs of the over 250 individuals on the HUI waiting list awaiting more permanent housing. Many of these individuals are homeless or are in precarious near homeless situations. In addition, many individuals are in supervised housing and have been recommended for independent housing. When HUI provides independent homes for individuals coming from supervised housing, precious openings in supervised housing are created (the public mental health system currently has a freeze on the development of new supervised housing units).

MONTGOMERY COUNTY COALITION FOR THE HOMELESS



The Montgomery County Coalition for the Homeless, a community-based nonprofit organization, is a leading provider of permanent and transitional housing, emergency shelter and supportive services for people experiencing homelessness. The Coalition is also an umbrella membership organization serving the provider network in Montgomery County through advocacy efforts, program coordination and educational activities. In addition, the Coalition spearheads a collaborative effort to implement a 10-year plan to end homelessness.

MONTGOMERY HOUSING PARTNERSHIPS, INC.



Montgomery Housing Partnership is the largest nonprofit housing organization in the County and has developed over 1,100 affordable homes to date. This year, MHP is celebrating its 20th Anniversary of preserving and expanding affordable housing in Montgomery County. Since 1989, Montgomery Housing Partnership's mission is to preserve and expand quality affordable housing in Montgomery County. We advance our mission through three key strategies:

1. By acquiring, rehabilitating, building and managing quality affordable housing.
2. By developing and implementing community life programs to improve the quality of life and increase opportunities for our residents.
3. By collaborating with concerned citizens and businesses, public officials and community organizations to build strong, vital neighborhoods.

VICTORY HOUSING, INC.



Victory Housing is an award-winning nonprofit developer and operator of quality affordable assisted living for frail seniors and rental housing for working families and independent seniors. Victory Housing has developed and currently operates seven (7) affordable assisted living residences (total of 207 units) for frail senior citizens in Maryland. Approximately two-thirds of the residents in the assisted living residences have annual incomes of 60 percent of AMI or less. Their average age is 87. Each residence provides three daily meals, assistance with activities of daily living such as bathing and dressing, laundry and housekeeping services, planned social and recreational activities, and emergency coverage at night. Monthly fees vary according to the incomes of the residents. These residences enable individuals to remain in the community in a home-like setting at an average cost of less than one-half that of a nursing home. Victory Housing's operations staff includes over 150 full- and part-time workers.

In addition, Victory Housing has developed seven (6) HUD apartment communities in Maryland (totaling 393 units) in Hyattsville, Olney, Temple Hills, Palmer Park, and Forestville, and one (1) community of 75 units in Washington, D.C., for very-low-income independent seniors. All of these communities serve residents whose income are 50 percent of AMI or less; the average income is closer to 30 percent of AMI.

Victory Housing also acquires and substantially renovates aging apartment communities originally financed by HUD. A former HUD 202 community in Takoma Park (Victory Tower) with 187 rental units was re-financed and substantially renovated in 2004–05. As described above, Victory Forest (181 units, Silver Spring) and La Plata Manor (100 unit, La Plata, Maryland) were acquired this fiscal year and are in various stages of renovation at the end of FY 2009.

There are also three (3) apartment communities (totaling 271 units) in Potomac, Silver Spring, and Germantown for mixed-income independent seniors. Almost all of the apartments must be rented to households earning less than 60 percent of the median area income, at affordable rents. Victory Housing also has three apartment communities (totaling 110) for families, two in Takoma Park and one in Washington, D.C. All apartment communities are managed by Habitat America, LLC.

In sum, affiliates of Victory Housing have various ownership interests in 23 communities for seniors and families totaling 1,524 housing units.



County Executive Isiah Leggett with Governor Martin O'Malley and DHCD Secretary Raymond A. Skinner at a ribbon cutting ceremony celebrating one of the nation's first "Weatherized" houses funded through the American Recovery and Reinvestment Act



On February 28, 2007, County Executive Isiah Leggett issued Executive Order 84-07 forming the Affordable Housing Task Force; this Task Force was instructed to develop strategies that would result in more affordable housing in Montgomery County. On March 31, 2008, the Task Force presented their strategies. The number one priority identified by the Task Force was the need to preserve the existing housing stock. Further, the Task Force recommended creating a short term property acquisition fund – now known as the “Housing Acquisition and Rehabilitation Program” – as a tool to enable experienced organizations to purchase at-risk properties and increase the public and nonprofit ownership of affordable rental housing. By saving the County’s existing housing, the County does not need to create an expensive new neighborhood infrastructure of roads, schools and parks. Following are several projects undertaken in support of this priority.

Maple Towers by Montgomery Housing Partnership, Inc.

In December of 2008, Montgomery Housing Partnership, Inc. (MHP) acquired Maple Towers, an apartment complex with a history of housing code violations that had languished vacant for the two years. The purchase marked a historic achievement, the inaugural employment of the Housing Acquisition and Rehabilitation Program, which funded the acquisition in its entirety.



MHP plans to substantially renovate Maple Towers, replacing the old balconies with Juliet-style balconies, adding all-new kitchens and bathrooms, individually metering apartments, and increasing unit sizes creating affordable opportunities for larger families. These renovations will enhance unit interiors to bring them up to date and to make them more functional and environmentally friendly. MHP will also add a community space, which will house their award-winning Community Life Programs.

In early 2009, MHP was awarded State Low-Income Housing Tax Credits, which will support a large portion of the construction costs. The County and MHP have partnered with the City of Takoma Park, which has provided a 100 percent Payment-In-Lieu-Of-Taxes on property taxes. When completed, Maple Towers will offer a mix of studio, one –, two – and three–bedroom units. Ten units will be market rate, and the remaining 26 will be affordable to persons at or below 60 percent of the area median income (AMI). These renovations ensure the property's long-term viability, and make Maple Towers a better place to live and a better neighbor to the surrounding community.

Seneca Ridge by the Housing Opportunities Commission of Montgomery County

Seneca Ridge is a 76-unit townhouse development, owned by HOC that was constructed in 1972. Typical of structures built in the early 1970s and still operating with their original systems, it was in need of substantial renovations. A tour of the property revealed that the unit interiors needed to be enhanced to bring them up to date and to make them more functional. Also, the property needed more recreational, community, and green spaces.

These invaluable renovations were made in part thanks to a \$1.1 million HIF loan and a \$1.5 million Community Development Block Grant loan. Now, families have a better place to live, kids have a place to play, and all residents can participate in educational seminars, career counseling, and a variety of health and recreational programs at the Tony Davis Family Resource Center.



Towne Centre Apartments by the Housing Opportunities Commission of Montgomery County

Well-located in the heart of Rockville and just a few blocks from the Metro, shopping and the Rockville Library, this ten-story elderly high-rise building had a problem. Bathrooms were badly in need of restoration. Upon notification, County HIF promptly provided a \$250,000 no-interest, forgivable loan to HOC to replace the aging bathrooms thus providing proper plumbing to its population.

King Farm Village Center Apartments by the Housing Opportunities Commission of Montgomery County

The King Farm Village Center Apartments acquisition marked a momentous County achievement by creating the County's first workforce housing units. A \$6.4 million HIF loan was made as a part of a joint effort between the County and HOC to convert an existing apartment complex into 47 two- and 2 three-bedroom condominiums to be sold to eligible Montgomery County residents with incomes ranging from 71 to 120 percent of the area median income.



The King Farm Village Center Apartments were selected due to its highly desirable location, size, and amenities. As of February 2010, 8 units have been sold and another 5 are under contract. The condos are located within walking distance of the Shady Grove Metro Station and close to shopping. The Village Center is anchored by a nearby Safeway supermarket and sits on a lush 10 acre site with ample green space. The ground floor of each building contains a generous mix of retailers. Unit amenities have been upgraded to condominium-level finishes and include hard wood floors, granite counter tops, a stainless steel appliance package including a microwave, refrigerator, dishwasher, and stove, and full size washer and drier. The units have been and are currently for sale. Proceeds from the sale of the units will be used to pay off the original bank loan and a portion of the HIF loan. The condominium sales are targeted to County and City of Rockville employees and initial interest has been strong. The first sales were closed in November 2009.



The Jubilee Home by the Housing Opportunities Commission & Jubilee Association of Maryland, Inc.

HOC partnered with Jubilee Association of Maryland, Inc. to apply for State Department of Health and Mental Hygiene and County funding for the acquisition and rehabilitation of a group home that would serve three developmentally disabled residents and one live-in staff member. HOC will serve as the owner/landlord of the selected group home and Jubilee will provide appropriate social services. In July 2008, HOC acquired a three-bedroom home in Wheaton. The home is now under substantial renovation to meet the special needs of the future residents. Upon completion, the property will be under an HOC Project-Based Voucher contract for all three units.

Sophia House by Interfaith Works



On Wilkins Avenue rests an important structure in Rockville – this is where Interfaith Works operates a 30-bed short- and long-term emergency shelter for women suffering from mental illness, substance abuse, and other disabilities. Interfaith Works serves over 150 women each year providing case management and helping women connect with appropriate housing and services.

A \$220,000 loan from the HIF was awarded to Interfaith Works to upgrade the facility, providing renovations which included refurbishing bathrooms, along with refinishing and remodeling kitchens and dining rooms with new cabinets and countertops. With help from the County, Interfaith Works is able to continue with its mission of pursuing social justice with an emphasis on identifying and meeting the needs of the poor by leading and engaging Montgomery County's faith communities in service, education and advocacy.

Montgomery County's Revolving Closing Cost Assistance Loan Program

The Revolving Closing Cost Assistance Program was established in 2005 with funds from the HIF. The program is available to employees of Montgomery County Government and to those who work in Montgomery County who are income-eligible and plan to purchase their first home in the County. Homebuyers who meet the income guidelines can receive a loan up to \$10,000 towards downpayment and/or closing cost assistance.

To augment this existing program in December 2008, County Executive Isiah Leggett announced the County's participation in the State's "House Keys for Employees" program which provides a matching contribution of up to \$5,000 to income-eligible homebuyers who are employees of Montgomery County Government. These programs are administered for the County by the Housing Opportunities Commission.

To date, the program has provided loans totaling more than \$1.7 million to more than 200 eligible homebuyers who have purchased their primary residence in Montgomery County, including 26 loans to homebuyers earning incomes that qualify for the MPDU or Workforce Housing programs.



County Executive Isiah Leggett, Congressman Chris Van Hollen and County Councilmember Roger Berliner discuss Federal, state and local efforts to help residents reduce their energy bills.

Ashmore at Germantown by AHC, Inc.

AHC Inc., a not-for-profit developer of affordable housing based in Arlington, VA, worked closely with DHCA to acquire 29 brand new condominiums that are being operated as long-term affordable rental housing. The units are available to households earning up to 55 percent of the Area Median Income and are managed by AHC Management LLC – AHC's property management subsidiary.



"Montgomery County has long been a leader in affordable housing. We are thrilled to have had the opportunity to partner with the County to implement this innovative approach to creating new affordable housing units," said Walter D. Webdale, President, AHC Inc.

AHC financed the \$5.4 million acquisition price and closing costs with a loan from the County's Housing Acquisition and Rehabilitation Program and a second loan from the County's Community

Development Block Grant allocation. AHC will refinance the property and return a portion of the funding to the County to be recycled into additional affordable housing initiatives.

"Creating and preserving affordable housing is one of my highest priorities," said County Executive Isiah Leggett. "I am pleased that the Housing Initiative Fund was used to acquire more than two dozen condominiums and make them affordable for eligible residents."

AHC, Inc. MPDU Acquisitions - Gateway Commons and Leaman Farm

In May 2009, AHC acquired six, two-bedroom, townhouse-style condominium units at Gateway Commons - a 250+ unit, new construction community developed by Lennar. The development consists of townhomes, garden-style condominiums and one-over-one townhomes (two units within one townhouse structure). The development is conveniently located on Route 355 just off Interstate 270 and within walking distance of schools and shopping.



AHC financed the approximately \$770,000 acquisition price with a loan from the County's Housing Acquisition and Rehabilitation Program. Closing costs were financed with a seller credit. AHC will refinance the property which will enable it to pay down a portion of the initial County investment so that the funds can be recycled into additional affordable housing initiatives.

In October 2009, AHC acquired two, three-bedroom, townhouse-style condominium units at Leaman Farm - a new construction community developed by Craftmark. The development consists of single

family homes, townhomes, and one-over-one townhomes. The development is conveniently located near Interstate 270 and shopping. AHC has leased the units as affordable rental housing available to households earning up to 55 percent of the Area Median Income. In three years, depending on conditions in the for-sale housing market, the units will either be resold by AHC's Homeownership Division subject to MPDU restrictions or continue to be leased.

AHC financed the acquisition price with a loan from the County's Housing Initiative Fund. Closing costs were financed with a seller credit.

Victory Forest by Victory Housing, Inc.

Victory Forest is a 181-unit affordable housing community for seniors in the Capitol View neighborhood of Silver Spring. Victory Forest is tucked away between the Connecticut Avenue and Georgia Avenue corridors. The building is located on a gradually sloped 3.9 acre parcel of land in a tranquil, wooded setting.



Victory Housing, the nonprofit development arm of the Catholic Archdiocese of Washington, purchased the property in August 2008 from an affiliate of the Housing Opportunities Commission and began the process of substantially renovating the property immediately thereafter. The acquisition and renovations were made possible, in part, by a \$6,875,000 Housing Initiatives Fund loan from Montgomery County. Other sources of funds included proceeds from tax-exempt bonds issued by HOC and purchased by Bank of America, and equity from the sale of Low-Income Housing Tax Credits to SunTrust Bank (syndicated by Hudson Housing Capital). In addition, the property was originally financed through the HUD Section 236 program, which included an interest reduction payment ("IRP"). As part of the acquisition, the IRP was "decoupled" in order to retain the benefits.

Victory Forest now provides 36 units affordable to households with incomes at or below 50 percent of the Area Median Income (AMI) and 144 units affordable to households with incomes at or below 60 percent of the AMI. Thirty-seven households benefit from project-based Section 8 vouchers provided by HOC. In addition, prior to acquisition, the County provided funds to subsidize the rents of approximately 64 households to lessen the burden of the rent increases. Upon acquisition, Victory Forest established an affordability reserve to continue this subsidy at the same dollar amount for these households as long as they remain residents at the property.

The rehabilitation of the property, totaling more than \$6 million, included renovations in the units and a complete renovation of all existing common areas, including a community room, dining room, library, fitness room, beauty salon, and store for residents. In addition, Victory Housing added a media center, wellness center, and arts & crafts room for the residents. There is also a courtyard at

the rear of the building with new furnishings which is accessible from the community room. All community areas benefited from extensive new furnishings and artwork to provide a comfortable, home-like atmosphere. In order to provide a warmer, sunnier environment throughout the building, significant steps were taken to improve lighting and choose cheerful paint colors and carpeting to help brighten community areas and units. In terms of resident comfort in their units, all heating/cooling units, windows, and sliding glass doors were replaced.

The Apartments at Aspen Court by the Housing Opportunities Commission

Aspen Court is a cul-de-sac in Takoma Park consisting of three apartment buildings totalling 39 units. The first building, 7423-27 Aspen Court, is a 16-unit vacant apartment building acquired by HOC under its Right of First Refusal in October 2007 using funds from the HIF. This non-operating property was built in 1954 and requires extensive capital improvements. An architect retained by staff has created a scope of work to renovate the vacant building's 13 two-bedroom and three one-bedroom apartments.



One of the buildings recently acquired at Aspen Court

The second property on the cul-de-sac is 717 Sligo Creek Parkway acquired by HOC in an off-market transaction in December 2008, also using HIF funds. This occupied building is a 12-unit failed condominium which had been partially upgraded by the previous owner. HOC has developed a scope of work to renovate this property as well.

HOC acquired the third 11-unit property at 7411 Aspen Court in August 2009 using FY 2010 HIF funds; a renovation scope of work for this property is being developed as well.

The acquisition and rehabilitation of the properties are financed, in part, with loans totaling approximately \$2.8 million from the HIF. Once the renovations are complete, the Apartments at Aspen Court are expected to be rented to a mix of market-rate and low-income qualifying families earning 50 percent of AMI. Renovations are expected to be completed in 2010.

Hampden Lane by the Housing Opportunities Commission

This Hampden Lane project will be a new construction, four-story apartment building located in the heart of downtown Bethesda. The project will consist of six one-bedroom and six studio units, a large community room, a computer lab, a fitness center, central laundry facility, individual storage units, and managerial and counselor offices. The architectural design of the project will be consistent with the surrounding community which is made up of luxury residential/condominium, high end retail and class A office buildings.

DHCA has committed \$945,000 in permanent financing toward development of the project. The balance of the financing will be provided through a combination of Low Income Housing Tax Credits to be purchased by Hudson Housing Capital, LLC, a construction bridge loan provided by Capital One, and State Rental Housing Partnership Program funds.

The Hampden Lane Apartments are intended to house formerly homeless individuals who are ready for more independent living. The operations will be funded with Project Based Section 8 vouchers provided by HOC and will include a full-time resident counselor. Construction is expected to start in early 2010.



Artist's Rendering of the Hampden Lane PLQ's

Cordell PLQs by the Montgomery County Coalition for the Homeless

For several years, the Department of Housing and Community Affairs, the Department of Health and Human Services, the Housing Opportunities Commission, and the Montgomery County Coalition for the Homeless (MCCH) have been working together to develop new permanent supportive housing units. In 2004, the County completed the conversion of an Econolodge motel in Gaithersburg into a



57-unit transitional and permanent housing facility called Seneca Heights. In 2007, the rehabilitation of a small apartment building on Dale Drive in Silver Spring was completed to become 10 units of permanent supportive housing.

In 2008, MCCH and County staff members began looking at office buildings that could be converted to permanent supportive housing. They wanted to develop a personal living quarters (PLQ), a residential building that must have shared cooking facilities and can have shared bathroom facilities. PLQs are similar to Single Room Occupancy (SRO) housing projects. Two advantages of a PLQ are that the units can be constructed at the highest density and the lowest cost, and a PLQ offers the programmatic benefits of communal living.

A mostly vacant office building at 4715 Cordell Avenue in downtown Bethesda was identified as a possible location for a PLQ. Built in 1965, the building at 4715 Cordell Avenue consists of 17,500

square feet over five floors and a partial basement. The property is in the CBD-1 zone, a zone that allows for the development of a PLQ. Initial conceptual drawings show that the building could accommodate 32 PLQ units. Each of the top four floors would have eight PLQ units, a shared kitchen, dining and living area, and shared bathroom, and shower facilities.

DHCA approved HIF funding for MCCH to acquire and rehabilitate the building. Once completed, Coalition Homes, Inc., a subsidiary of MCCH, will provide permanent supportive housing for single adults exiting homelessness. Additionally, MCCH will continue to lease the ground floor retail space to conventional storefront users at market rates and will use the below grade basement as office space for MCCH case managers and other support service staff serving the facility.

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